Introduced by Senator Steinberg

February 22, 2008

An act to add Division 16.2 (commencing with Section 26200) to the Public Resources Code, relating to energy, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

SB 1672, as amended, Steinberg. Energy: Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 201_.

Existing law provides various funding sources for energy efficiency projects and related purposes.

This bill, subject to voter approval at the 201____,___ election, would enact the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 201_ to authorize the issuance and sale of \$3,000,000,000 in state general obligation bonds for specified purposes, including the development of renewable energy and energy efficiency and conservation jobs, businesses, and educational and worker training programs; the development of clean technology businesses and jobs, and educational and worker training programs; and the development of businesses, technologies, infrastructure investment, and jobs that will help California adapt to climate change with special attention for actions that will benefit disadvantaged communities. The bill would create the Renewable Energy, Climate Change, Career Technical Education, and Clean

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Technology Job Creation Council—comprising of 9 comprised of 14 members. The council would be required to issue guidelines to implement the purposes of this act.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Division 16.2 (commencing with Section 26200) is added to the Public Resources Code, to read:

DIVISION 16.2. RENEWABLE ENERGY, CLIMATE CHANGE, CAREER TECHNICAL EDUCATION, AND CLEAN TECHNOLOGY JOB CREATION BOND ACT OF 201_

CHAPTER 1. GENERAL PROVISIONS

26200. This division shall be known and may be cited as the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 201_.

26201. The Legislature finds and declares all of the following:

- (a) California's international leadership in renewable energy, energy conservation, and climate change policies creates significant, but dramatically underfunded, opportunities to provide job training workforce development and educational opportunities for high school students, young workers, community college students and graduates, youth who participate in community or state service organizations, college and university students and graduates, apprenticeship programs for building and construction trades and other technical and vocational careers, and training programs for unemployed, underemployed, or displaced workers and high school dropouts.
- (b) California has an opportunity to combine the education and training of both its future college-educated workforce, the underemployment of recent high school graduates, and its highly skilled technical workforce with its effort to combat high school dropouts and the retraining of workers who have been displaced by the loss of high-wage jobs in California. Clean technology jobs and renewable energy jobs (green collar jobs) can provide underserved communities with a pathway out of poverty, a new

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and inspiring focus for educational institutions and nonprofit organizations, and significant statewide economic and environmental benefits.

(c) Student opportunities for relevant, career-focused education at the middle and high school levels have diminished in recent years with the decline in investments in career technical education. Career technical education programs that create paths to further education or productive jobs in high opportunity careers can keep students engaged in school and on track toward a diploma.

(c)

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(d) Investments in renewable energy, energy conservation, clean technologies, climate change mitigation, and the workforce for these industries will provide multiple benefits to California by (1) creating employment opportunities for citizens whose talents would otherwise not be fully realized, (2) creating opportunities for new businesses, and the expansion of existing businesses, and (3) expanding the state's utilization of renewable energy and contributing to the growth of clean technology businesses in California both of which will help achieve the state's climate change goals required by the California Global Warming Solutions Act of 2006, Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

(d)

(e) A failure to act by California will perpetuate the lack of an integrated education, job training, and business infrastructure that otherwise could take advantage of the projected growth in these industries and the corresponding increase in state and local taxes and other economic benefits associated with the likely surge in clean-technology jobs. The American Solar Energy Association, for example, concludes that in 2006 approximately 3.6 million Americans were directly employed by renewable energy and energy efficiency firms and that another 5 million Americans held jobs indirectly attributable to these industries. The renewable and energy efficiency industries of America generated approximately nine hundred seventy-five million dollars (\$975,000,000) in revenue in 2006. These industries could employ a workforce of up to 40 million Americans, and could generate four trillion five hundred billion dollars (\$4,500,000,000,000) in annual revenue by 2030 if these industries were expanded aggressively.

(e)

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(f) The Renewable and Appropriate Energy Laboratory in Berkeley found that renewable energy creates more jobs per megawatt of power installed, per unit of energy produced, and per dollar of investment, than the fossil fuel energy-based sector.

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(g) The forecast of new job growth of the Million Solar Roof Initiative has slowed because of a lack of trained workers.

(g)

- (h) A study by the Apollo Alliance, a coalition of business, labor, and environmental organizations, showed that a major national investment in renewable energy, alternative automobiles and fuels, high-performance buildings, and infrastructure would result in the creation of nearly 3.5 million green collar jobs for Americans over a 10-year period.
- 26202. As used in this division, the following terms have the following meanings:
 - (a) "Board" means the Resources Agency.
- (b) "Clean technology" includes, but is not limited to, those economic activities that result in the development of permanent or long-term jobs in California that are dedicated to improvements in environmental quality, and that comply with California's environmental laws and policies. These economic activities include, but are not necessarily limited to, both the training for, and the accomplishment of, all of the following:
 - (1) Energy audits.
- (2) Retrofits and weatherization activities that increase energy efficiency and conservation.
- (3) Retrofitting and installing energy-efficient household appliances, windows, doors, insulation, and lighting.
- (4) The manufacture, sale, installation, and maintenance of renewable energy facilities or the component parts of renewable energy technologies.
- (5) Jobs at all skill levels in manufacturing, installation, repair, maintenance, and recycling related to renewable energy production or the component parts of renewable energy plants and energy distribution.
- (6) Scientific, engineering, and research positions in qualified industries.
- (7) Information technology and computer systems in qualified industries.

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1 (8) Skilled trades and other technical positions in qualified 2 industries.

- (9) Assembly and mechanical positions within qualified industries.
- (10) Management analysts, construction supervisors, managers and workers, and affiliated support personnel within qualified industries.
- (11) Forestry, agricultural, and conservation workers to the extent they are employed in a clean technology enterprise or otherwise contributing to California's climate change goals.
- (c) "Committee" means the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Finance Committee created pursuant to Section 26208.
- (d) "Council" means the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Council and shall be comprised of the following—nine 14 individuals, or in the case of the state elected officials, and agency or commission members, their designees:
- (1) A chairperson with demonstrated excellence in creating effective working relationships among clean technology or renewable energy businesses, labor organizations and educational institutions, preferably in the context of providing assistance to disadvantaged communities, who shall be appointed by the Governor.
- (2) An individual with demonstrated expertise with—career technical education developing career technical education programs at the high school or community college level, preferably with additional expertise in clean technology, renewable energy, or workforce development, appointed by the Governor.
- 30 (3) The Secretary of Labor and Workforce Development.
- 31 (4) The Treasurer.
- 32 (5) The Secretary of the Resources Agency.
- 33 (6) The Secretary for Environmental Protection.
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- 35 (7) The Superintendent of Public Instruction.
- 36 (8) The Chancellor of the California Community Colleges.
- 37 (9) The Secretary for Education.
- 38 (7) The chair
- 39 (10) The President of the Public Utilities Commission.

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(11) The Chair of the State Energy Resources Conservation and
 Development Commission.

(12) The Director of the California Conservation Corps.

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- (13) One member appointed by the Speaker of the Assembly and one member appointed by the Senate Committee on Rules, both of whom shall represent the clean technology industry, the renewable energy industry, or an educational institution including a community college, a nonprofit organization, or a labor organization that *develops programs for or* trains workers or students for these industries.
- (e) "Disadvantaged community" means a community with a median household income that is less than 89 percent of the statewide average. "Severely disadvantaged community" means a community with a median household income that is less than 60 percent of the statewide average.
 - (f) "Eligible entity" means any of the following:
 - (1) A qualified nonprofit organization.
- (2) A business-organization entity, including, but not limited to, a public utility that enters into agreements, including, but not limited to, partnerships, contracts, memoranda of understanding, or other mutually agreed upon arrangements with middle schools, high schools, or community colleges to support middle school career exploration activities; curriculum and professional development; high school pathway programs that integrate academic and technical learning to prepare students for both college and careers, including a sequence or cluster of three or courses that align with the State Board Education-approved career technical education standards and frameworks, and may be delivered, in part, through regional occupation programs or adult education programs, or both types of programs; and other programs designed to engage middle and high school students and motivate them to pursue further education, training for and job placement in a clean technology or renewable energy field.
 - (3) An accredited educational institution.
- (3) An educational institution accredited by the Western Association of Schools and Colleges.
 - (4) A public middle or high school.

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- (5) A labor organization.
- 2 (5)

(6) A federal, state, or local service organization, including, but not limited to, the California Conservation Corps and—local conservation corps a public or private nonprofit agency that entered into a contract with the California Conservation Corps pursuant to Section 14406.

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- (7) Any other entity approved by the board.
- (g) "Fund" means the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Fund of 201_, created pursuant to Section 26203.
- (h) "Renewable energy" includes the research and development, manufacturing generation, development and maintenance of power line transmission, installation, repair, maintenance, and related activities necessary to produce energy from wind, photovoltaics, solar thermal, geothermal, biomass including ethanol, biodiesel, *greenwaste*, and biomass power, fuel cells, and hydrogen in a manner that complies with California's environmental laws and policies.

Chapter 2. Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Fund and Program

- 26203. The proceeds of bonds issued and sold pursuant to this division shall be deposited in the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Fund of 201_, which is hereby created in the State Treasury. The moneys in the fund shall be administered by the Resources Agency and shall be available for appropriation by the Legislature, in the manner and for the purposes set forth in this division in accordance with the following schedule:
- (a) The sum of one billion dollars (\$1,000,000,000) for the development of renewable energy and energy efficiency and conservation jobs, businesses, and educational and worker training programs, including programs to reduce the high school dropout rate and that will benefit disadvantaged communities. At least 30 percent of this amount shall be designated for a revolving loan program developed by the council. *Programs to reduce the high*

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school dropout rate may include, but are not limited to, middle school career exploration activities; curriculum and professional 3 development; high school pathway programs that integrate 4 academic and technical learning to prepare students for both 5 college and careers, including a sequence or cluster of three or 6 courses that align with the State Board 7 Education-approved career technical education standards and 8 frameworks, and may be delivered, in part, through regional occupation programs or adult education programs or both types of programs; and other programs designed to engage middle and 10 high school students and motivate them to pursue further education 11 12 and training for and job placement in a clean technology or 13 renewable energy field. 14

- (b) The sum of one billion dollars (\$1,000,000,000) for the development of clean technology businesses and jobs, and educational and worker training programs, including programs to reduce the high school dropout rate, and that will benefit disadvantaged communities. At least 30 percent of this amount shall be designated for a revolving loan program developed by the council. Programs to reduce the high school dropout rate may include, but are not limited to, middle school career exploration activities; curriculum and professional development; high school pathway programs that integrate academic and technical learning to prepare students for both college and careers, including a sequence or cluster of three or more courses that align with the State Board of Education-approved career technical education standards and frameworks, and may be delivered, in part, through regional occupation programs or adult education programs or both types of programs; and other programs designed to engage middle and high school students and motivate them to pursue further education and training for and job placement in a clean technology or renewable energy field.
- (c) The sum of one billion dollars (\$1,000,000,000) for the development of businesses, technologies, infrastructure investment, and jobs jobs, apprenticeships, and internships that will help California adapt to climate change with special attention for actions that will benefit disadvantaged communities. At least 30 percent of this amount shall be designated for a revolving loan program developed by the council.

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26204. (a) The council shall develop guidelines for competitive grants and revolving loans that will be awarded over a period of _____ years in approximately equal annual increments for the purposes set forth in Section 26203.

- (b) The guidelines shall specify a minimum and maximum grant award amount and shall require that grants be awarded in a geographically equitable fashion. The guidelines shall define, where appropriate, a required cost share by a grant applicant, and the required percentage of a project's economic or programmatic activity that is generated by the grant that must be performed or realized in California.
- (c) Cost share shall not be required for owner-occupied structures in disadvantaged or severely disadvantaged communities, but these projects may be eligible for a revolving loan as determined by the council.
- (d) The council shall develop a public outreach and education effort, and shall provide eligible applicants with technical assistance in submitting grant applications. The public outreach and education effort and the technical assistance provisions shall be posted on one or more state government Internet Web sites selected by the council or it may develop a new Internet Web site.
- (e) The council may use appropriate state agency personnel in administering the public outreach, education, technical assistance, guideline development, and grant application review provisions provided that such efforts are otherwise consistent with this division.

CHAPTER 3. MISCELLANEOUS PROVISIONS

26205. (a) The Legislature may enact legislation necessary to implement this division.

- (b) Every proposed activity or project to be financed pursuant to this division shall be in compliance with the California Environmental Quality Act, Division 13 (commencing with Section 21000).
- (c) Acquisitions of real property pursuant to this division shall be from willing sellers.
- (d) Up to 5 percent of the funds allocated to a program pursuant to this division may be used to pay the costs incurred in the administration of that program.

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(e) Up to 10 percent of funds allocated for a program pursuant to this division may be used to finance planning and monitoring necessary for the successful design, selection, and implementation of the projects authorized under that program. This subdivision does not otherwise restrict funds ordinarily used by an agency or department for preliminary plans, working drawings, and construction as defined in the annual Budget Act for a capital outlay project or grant project.

- (f) The body awarding a contract for a public works project financed in part from funds made available pursuant to this division shall adopt and enforce, or contract with a third party to enforce, a labor compliance program pursuant to subdivision (b) of Section 1771.5 of the Labor Code that shall be applicable to that public works project.
- (g) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to the development and adoption of program guidelines and selection criteria adopted pursuant to this division.
- (h) The chair of the council or his or her designee shall provide for an annual independent audit of expenditures pursuant to this division to ensure that all moneys are expended in accordance with this division.
- 26205.5. The provisions of this division are severable. If any provision of this division or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

CHAPTER 4. FISCAL PROVISION

26206. Bonds in the total of three billion dollars (\$3,000,000,000), or so much thereof as is necessary, not including the amount of any refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this division and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both

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principal of, and interest on, the bonds as the principal and interest
become due and payable.

26207. The bonds authorized by this division shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), except subdivision (a) of Section 16727 of the Government Code to the extent that it is inconsistent with this division, and all of the other provisions of that law as amended from time to time apply to the bonds and to this division and are hereby incorporated in this division as though set forth in full in this division.

26208. (a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law of the bonds authorized by this division, the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Finance Committee is hereby created. For the purposes of this division, the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Controller, and the Director of Finance, or a designated representative of each of those officials. The Treasurer shall serve as the chairperson of the committee. A majority of the committee may act for the committee.

(b) For the purposes of the State General Obligation Bond Law, the Resources Agency is designated to be the "board."

26209. Upon request of the board stating that funds are needed for purposes of this division, the committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this division in order to carry out the actions specified in Chapter 2 (commencing with Section 26203), and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

26210. There shall be collected each year in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to

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the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

- 26211. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this division, an amount that will equal the total of the following:
- (a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this division, as the principal and interest become due and payable.
- (b) The sum necessary to carry out Section 26212, appropriated without regard to fiscal years.
- 26212. For the purpose of carrying out this division, the Director of Finance may authorize the withdrawal from the General Fund of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this division. Any amounts withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest the amounts would have earned in the Pooled Money Investment Account, from proceeds received from the sale of bonds for the purpose of carrying out this division.
- 26213. All money deposited in the fund that is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.
- 26214. Pursuant to Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, the cost of bond issuance shall be paid out of the bond proceeds. These costs shall be shared proportionally by each program funded through this bond act.
- 26215. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, including other authorized forms of interim financing that include, but are not limited to, commercial paper, in accordance with Section 16312 of the Government Code, for purposes of carrying out this division. The amount of the request shall not exceed the amount of the unsold bonds that the committee, by resolution, has authorized to be sold for the purpose of carrying out this division. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any

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amounts loaned shall be deposited in the fund to be allocated in 2 accordance with this division.

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26216. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state for the issuance of the bonds described in this division includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this division or any previously issued refunding bonds.

26217. Notwithstanding any other provision of this division, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this division that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes, subject to designated conditions, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds required or desirable under federal law to maintain the tax exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

The Legislature hereby finds and declares that, 26218. inasmuch as the proceeds from the sale of bonds authorized by this division are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

- SEC. 2. Section 1 of this act shall take effect only upon the approval by the voters of the Renewable Energy, Climate Change, Career Technical Education, and Clean Technology Job Creation Bond Act of 201_, as set forth in Section 1 of this act.
- 35 SEC. 3. Section 1 of this act shall be submitted to the voters 36 at the 201_, ____ election in accordance with provisions of the 37 Government Code and the Elections Code governing the 38 submission of a statewide measure to the voters.
- 39 SEC. 4. (a) Notwithstanding any other provision of law, all 40 ballots of the election shall have printed thereon and in a square

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thereof, the words: "Renewable Energy, Climate Change, Career

- Technical Education, and Clean Technology Job Creation Bond
- 3 Act of 201_ and in the same square under those words, the
- following in 8-point type: "This act provides for a bond issue of 4
- three billion dollars (\$3,000,000,000) to provide funds for a 5 6
- Renewable Energy, Climate Change, Career Technical Education,
- 7 and Clean Technology Job Creation Program." Opposite the square,
- 8 there shall be left spaces in which the voters may place a cross in
- the manner required by law to indicate whether they vote for or 10 against the act.
 - (b) Notwithstanding Sections 13247 and 13281 of the Elections Code, the language in subdivision (a) shall be the only language included in the ballot label for the condensed statement of the ballot title, and the Attorney General shall not supplement, subtract from, or revise that language, except that the Attorney General may include the financial impact summary prepared pursuant to Section 9087 of the Elections Code and Section 88003 of the Government Code.
 - (c) Where the voting in the election is done by means of voting machines used pursuant to law in a manner that carries out the intent of this section, the use of the voting machines and the expression of the voters' choice by means thereof are in compliance with this section.